

FY13 Q3: Non-GAAP Reconciliations

MEDTRONIC, INC.			
RECONCILIATION OF WORLDWIDE CORE SPINE REVENUE GROWTH TO CONSTANT CURRENCY REVENUE GROWTH ADJUSTED FOR REVENUE FROM BKP			
(in millions)			
	<u>Three months ended</u> <u>January 25, 2013</u>	<u>Three months ended</u> <u>January 27, 2012</u>	<u>Percentage</u> <u>Change</u>
Core Spine revenue, as reported	\$ 639	\$ 640	-
BKP revenue	<u>(85)</u>	<u>(95)</u>	
Core Spine revenue, adjusted for BKP	554	545	2%
Foreign currency impact	<u>3</u>	<u>-</u>	
Core Spine revenue, adjusted for BKP and foreign currency	<u>\$ 557</u>	<u>\$ 545</u>	2%

MEDTRONIC, INC.			
RECONCILIATION OF U.S. CORE SPINE REVENUE GROWTH TO REVENUE GROWTH ADJUSTED FOR REVENUE FROM BKP			
(in millions)			
	<u>Three months ended</u> <u>January 25, 2013</u>	<u>Three months ended</u> <u>January 27, 2012</u>	<u>Percentage</u> <u>Change</u>
U.S. Core Spine revenue, as reported	\$ 422	\$ 426	-1%
U.S. BKP revenue	<u>(60)</u>	<u>(67)</u>	
U.S. Core Spine revenue, adjusted for BKP	<u>\$ 362</u>	<u>\$ 359</u>	1%

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Three months ended January 25, 2013			
Gross margin percentage after adjusting for the impact of foreign currency (in millions)	Net sales	Cost of products sold	Gross margin percentage
As reported	\$4,027	\$999	75.2%
Foreign currency impact	41	(16)	
Adjusted	\$4,068	\$983	75.8%

Three months ended January 25, 2013			
Selling, general, and administrative (SG&A) expense after adjusting for the impact of foreign currency (in millions)	Net sales	SG&A expense	SG&A expense as a percentage of net sales
As reported	\$4,027	\$1,401	34.8%
Foreign currency impact	41	10	
Adjusted	\$4,068	\$1,411	34.7%

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Interest Expense, Net (in millions)	Three months ended January 25, 2013
Interest expense, net	\$46
Impact of authoritative convertible debt guidance on interest expense, net	23
Non-GAAP interest expense, net	\$23

Income Tax Rate	Three months ended January 25, 2013
Effective tax rate	14.5%
Tax impact of certain acquisition-related items and authoritative convertible debt guidance	(1.3)%
Non-GAAP nominal tax rate	15.8%